



JAMES A. NOYES, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
www.ladpw.org

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE

REFER TO FILE: **PM-3**

April 1, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**PALMDALE SHERIFF'S STATION
AWARD CONSTRUCTION CONTRACT
SPECS. 5415R1; C.P. 77401
SUPERVISORIAL DISTRICT 5
4 VOTES**

**JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER AND
THE SHERIFF'S DEPARTMENT THAT YOUR BOARD:**

1. Approve the revised total project budget of \$23,934,400 for construction of the Palmdale Sheriff's Station project, comprised of a base construction cost of \$22,735,400 and additive alternate costs of \$1,199,000.
2. Approve the enclosed appropriation adjustment to increase the appropriation under Capital Project 77401 for the Palmdale Sheriff's Station by \$2,299,000 to reflect the revised total project cost.
3. Approve and direct the Chairman to execute the enclosed agreement among the City of Palmdale, Community Redevelopment Agency of the City of Palmdale, and County of Los Angeles to accept the transfer of the property identified therein for the new Palmdale Sheriff's Station from the City of Palmdale.

4. Find that Bernards Bros. Inc. is the apparent lowest responsible and responsive bidder and award a construction contract in the amount of \$16,070,000, inclusive of \$1,090,000 for additive alternates for the Palmdale Sheriff's Station, subject to the satisfactory and timely completion by the contractor of the consultant services agreement to prepare a baseline construction schedule for the project and receipt by the County of acceptable Performance and Payment Bonds and evidence of required contractor insurance.
5. Approve the enclosed "Resolution of the Board of Supervisors of the County of Los Angeles Declaring its Intention to Reimburse Certain Capital Expenditures from the Proceeds of Taxable or Tax-Exempt Obligations (Palmdale Sheriff's Station)" (Enclosure C).
6. Direct the Treasurer and Tax Collector and Chief Administrative Office to return with recommendations regarding the issuance of tax-exempt bonds that will finance \$1,500,000 of the revised total project costs.
7. Delegate to the Director of Public Works the authority to determine, in accordance with the applicable contract and bid specifications, whether the contractor has satisfied the above conditions for contract award, and authorize the Director to execute the construction contract, in the form previously approved by County Counsel, to Bernards Bros. and establish the effective date of the construction contract if the Director determines that the above conditions have been satisfied.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approving the recommended actions will increase project funding, provide for the transfer of the project site to County ownership, and award an agreement to construct the Palmdale Sheriff's Station.

The existing interim Palmdale Sheriff's Station is located in the Antelope Valley, which is the fastest growing area within Los Angeles County. The station is currently located in leased space and serves the City of Palmdale and several nearby communities covering approximately 800 square miles. The capacity of the current facility does not meet the increasing demands of the growing community.

To alleviate staff crowding at the existing leased space and to accommodate future staff growth, construction of a new station on an 11.5-acre parcel of land provided by the

City of Palmdale is recommended. The new station project will consist of a 47,000-square-foot main building, including a 7,800-square-foot holding facility, an 8,300-square-foot vehicle maintenance building, a helistop, and sufficient staff and visitor parking.

Bids received on June 10, 2003, were over budget. In response to high bids received, we implemented scope reductions and estimated an increase in construction cost of \$2,600,000, resulting in a proposed project budget of \$22,735,400. On December 16, 2003, your Board adopted plans and specifications for the project and instructed the Executive Officer to advertise for construction bids. On March 3, 2004, seven bids were received. On March 8, 2004, S.C. Anderson, the apparent low bidder, submitted a request to withdraw its low bid because of a clerical error. Supporting data regarding the request has been reviewed and County Counsel concurs with the approval of S.C. Anderson's request to withdraw its bid. S.C. Anderson's bid withdrawal will not impact the final construction schedule. Therefore, we recommend your Board award the construction contract to the next apparent lowest responsible bidder, Bernards Bros., with a bid of \$16,070,000, which includes \$1,090,000 for additive alternates. These alternates add the helistop, increase of the vehicle maintenance building from three service bays to five service bays, and change the new perimeter fence from wrought iron to masonry. Inclusion of the additive alternates has now increased the total project budget to \$23,934,400.

Land Transfer Agreement

On December 16, 2003, your Board instructed the CAO to prepare documentation to transfer title of the new Sheriff's station site to the County for purposes of constructing the new station. Under the enclosed agreement, the City of Palmdale and the Palmdale Redevelopment Agency have agreed to transfer the 11.5-acre site to the County at no cost. The County agrees to construct and maintain the Sheriff's station on the site. If, in the future, the City terminates its contract with the County for law enforcement services, the City shall have the option to purchase the entire site and improvements at the then current market value, excluding the value of the land transferred to the County under this agreement. The land agreement and legal description have been prepared to complete the transfer and the land agreement has been executed by the City of Palmdale and its Redevelopment Agency. It is recommended that your Board execute this agreement to complete the transfer of the property for the new Palmdale Sheriff's Station. Two originals of the land agreement, signed by the City of Palmdale, are provided in Enclosure D.

Reimbursement Resolution

Approval of the enclosed Reimbursement Resolution is required under Federal tax regulations that govern the recovery of capital costs from taxable or tax-exempt bond proceeds. Under these regulations, which were introduced by the Internal Revenue Service in 1991, your Board is required to adopt a resolution which includes:

- A declaration of your Board's intention to finance expenditures related to a capital project.
- A statement that any such expenditure will be financed through the issuance of taxable or tax-exempt bonds or certificates.
- A qualitative description of the proposed project whose expenditures will be reimbursed from the proceeds of the bond or certificate issue.
- The identification of the expected source(s) of funds that would initially pay for such expenditures and ultimately would be used to repay the bond or certificate obligation.

Execution of the enclosed resolution will satisfy the IRS requirements and enable the County to maximize the reimbursement of construction and delivery costs that are related to the project and incurred subsequent to the resolution's execution.

Implementation of Strategic Plan Goals

These actions meet the County's Strategic Plan Goals of Service Excellence and Fiscal Responsibility as these actions will provide improved facilities to service the growing demands of the community and will increase the County's investment in public infrastructure.

FISCAL IMPACT/FINANCING

The recommended construction contract with Bernards Bros. is for \$16,070,000, including \$1,090,000 for three additive alternates. In addition, a change order amount of \$1,266,507 for the base construction contract and \$109,000 for the additive alternates is allocated in the project budget.

The total project cost, including plans and specifications, plan check, construction, equipment, consultant services, miscellaneous expenditures, and County services, is

currently estimated at \$23,934,400, which is \$3,799,000 more than the original total project cost estimate of \$20,135,400 and \$1,119,000 more than the project cost estimate of \$22,735,400 presented in the December 16, 2003, Board letter. The increase in cost is due to increased construction costs and change order contingencies, \$39,000 in additional architectural fees related to cost reductions, and a \$246,073 allocation for unforeseen conditions.

The \$3,799,000 cost increase will be funded from \$1,100,000 in Fifth District Capital Project Funds, \$1,199,000 in 2003-04 funding from the Sheriff's Department's operating budget, and \$1,500,000 in proceeds from the issuance of tax-exempt bonds that will be repaid from the Sheriff's Department's operating budget.

Approval of the enclosed appropriation adjustment will transfer the \$1,100,000 in Fifth District funds and \$1,199,000 in 2003-04 Sheriff's Department funds to the 2003-04 Capital Project Budget (C.P. No. 77401) and will provide sufficient appropriation to award the recommended contract.

The Treasurer and Tax Collector and Chief Administrative Office will return in the next few months to your Board with final recommendations for the bond issue and a final appropriation adjustment to increase the project budget by the \$1,500,000 in bond proceeds.

Debt service on the proposed bond issue is not expected to exceed the \$480,000 currently appropriated in the Sheriff's budget for annual payments under its existing space lease in Palmdale. The current lease on the existing Palmdale Sheriff's Station is scheduled to expire in November 2008 and may be terminated at any time. It is anticipated that the existing lease will be terminated after construction of the new station is complete. The project schedule and budget summary are shown in Enclosure A.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

A standard contract, in the form previously approved by County Counsel, will be used. The standard Board-directed clauses that provide for contract termination, renegotiation, and hiring qualified displaced County employees will be included in the contract.

The project specifications contain provisions requiring the contractor to report solicitations of improper consideration by County employees and allowing the County to terminate the contract if it is found that the contractor offered or gave improper consideration to County employees.

As requested by your Board on August 12, 1997, and as a threshold requirement for consideration for contract award, Bernards Bros. is willing to consider Greater Avenues for Independence Program/General Relief Opportunity for Work participants for future employment.

As required by your Board, language has been incorporated into the project specifications stating that the contractor shall notify its employees, and shall require each subcontractor to notify its employees, about Board Policy 5.135, the Safely Surrendered Baby Law, and that they may be eligible for the Federal Earned Income Credit under Federal income tax laws.

Bernards Bros. is in full compliance with Los Angeles County Code Chapter 2.200 (Child Support Compliance Program) and Chapter 2.203 (Contractor Employee Jury Service Program).

ENVIRONMENTAL DOCUMENTATION

On May 13, 2003, your Board approved a Mitigated Negative Declaration and adopted a Mitigation Monitoring and Reporting Program for the project.

CONTRACTING PROCESS

On December 16, 2003, your Board adopted plans and specifications for the project at an estimated construction cost of \$15,226,073, and instructed the Executive Officer to advertise for construction bids. On March 3, 2004, seven bids were received. On March 8, 2004, S.C. Anderson requested to be relieved of its bids due to clerical error. Bernards Bros. with a base bid of \$14,980,000 is the apparent lowest responsible bidder meeting the criteria adopted by your Board. The bid results are summarized in Enclosure B.

Bernards Bros.' Community Business Enterprises participation data and three-year contracting history with the County are on file with Public Works.

As requested by your Board on February 3, 1998, this contract opportunity was listed on the "Doing Business with the County" website.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no impact of current County services or projects during the performance of the recommended services.

The Honorable Board of Supervisors
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CONCLUSION

Please return one original land agreement executed by the Chairman to the CAO (Capital Projects Division), and return one adopted copy of this letter to the CAO (Capital Projects Division), Sheriff, and Public Works.

Respectfully submitted,

JAMES A. NOYES
Director of Public Works

DAVID E. JANSSEN
Chief Administrative Officer

LEROY D. BACA
Sheriff

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cc: Auditor-Controller
County Counsel
Department of Public Social Services (GAIN/GROW Program)
Office of Affirmative Action Compliance

April 1, 2004

ENCLOSURE A

**PALMDALE SHERIFF'S STATION
AWARD CONSTRUCTION CONTRACT
SPECS. 5415R1; C.P. 77401**

| Project Activity | Scheduled Completion Date |
|----------------------------|----------------------------------|
| Design | |
| Programming | 01/17/01 |
| Schematic Design | 10/16/01 |
| Design Development | 03/04/02 |
| Construction Document | 08/21/02 |
| Jurisdictional Approval | 05/13/03 |
| Revise Construction | 11/26/03 |
| Jurisdictional Approval | 12/16/03 |
| Construction Bid and Award | 05/06/04 |
| Construction | |
| Start | 05/07/04 |
| Substantial Completion | 07/11/05 |
| Acceptance | 12/12/05 |

PROJECT BUDGET SUMMARY

| Budget Category | Project Budget | Impact of this Action | Revised Project Budget |
|--------------------------------------|----------------------|-----------------------|------------------------|
| Land Acquisition | -0- | -0- | -0- |
| Construction | | | |
| Base Contract | | | |
| (a) Construction | \$ 12,665,073 | \$ 2,314,927 | \$ 14,980,000 |
| (b) Unforeseen conditions | <u>-0-</u> | <u>\$ 246,073</u> | <u>\$ 246,073</u> |
| Subtotal | \$ 12,665,073 | \$ 2,561,000 | \$ 15,226,073 |
| Change Orders | <u>\$ 1,266,507</u> | <u>-0-</u> | <u>\$ 1,266,507</u> |
| Subtotal | \$ 13,931,580 | \$ 2,561,000 | \$ 16,492,580 |
| Alternates | | | |
| Construction | | \$ 1,090,000 | \$ 1,090,000 |
| Change Orders | | <u>\$ 109,000</u> | <u>\$ 109,000</u> |
| Subtotal | | \$ 1,199,000 | \$ 1,199,000 |
| Construction Total | <u>\$ 13,931,580</u> | <u>\$ 3,760,000</u> | <u>\$ 17,691,580</u> |
| Equipment | \$ 1,446,920 | -0- | \$ 1,446,920 |
| Plans and Specifications | \$ 1,315,500 | \$ 39,000 | \$ 1,354,500 |
| Consultant Services | \$ 425,000 | -0- | \$ 425,000 |
| Miscellaneous Expenditures | \$ 860,000 | -0- | \$ 860,000 |
| Jurisdictional Review and Plan Check | \$ 75,000 | -0- | \$ 75,000 |
| County Services | \$ 2,081,400 | -0- | \$ 2,081,400 |
| TOTAL | \$ 20,135,400 | \$ 3,799,000 | \$ 23,934,400 |

April 1, 2004

ENCLOSURE B

**PALMDALE SHERIFF'S STATION
AWARD CONSTRUCTION CONTRACT
SPECS. 5415R1; C.P. 77401**

The new Palmdale Sheriff's Station project will consist of a 47,000-square-foot main building, including a 7,800-square-foot holding facility, an 8,300-square-foot regional vehicle maintenance building, a helistop, and sufficient staff and visitor parking. In addition, the project includes the following additive alternates:

Unit price calculation

Imported soil – Bid price to provide and install 1,000 cubic yards of imported soil.

Additive Alternate 1 *

Helistop – Provide and install the entire helistop as shown on X2-series drawings.

Additive Alternate 2 *

5-Bay Vehicle Maintenance Building – In lieu of the 3-Bay Vehicle Maintenance Building, provide and install the 5-Bay Vehicle Maintenance Building as shown on X3-series drawings.

Additive Alternate 3 *

Masonry Perimeter Fence – Provide and install the masonry wall shown on Drawing X4-A-1.0 to replace the perimeter wrought iron fence.

Additive Alternate 4

Community Room/Reserve Coordinator Area B – Provide and install the Community Room/Reserve Coordinator Area shown on X5-series drawings.

Bid Opening Date: March 3, 2004

Bid Summary:

The lowest bid was determined as the lowest total of the bid prices on the base contract and those additive items taken in the order shown in the bid form and added to the base contract, which are less than, or equal to the publicly disclosed funding amount.

Note: * Indicates alternates to be included in the proposed construction contract.

| Contractor's Name | Lump Sum Bid | Unit Price Calculation | Alternate 1 Helistop | Alternate 2 5 Bay VMB | Alternate 3 Perimeter Wall | Alternate 4 Community Rm |
|-------------------|---------------------|------------------------|----------------------|-----------------------|----------------------------|--------------------------|
| * S.C. Anderson | \$14,230,000 | \$8,500 | \$320,000 | \$300,000 | \$240,000 | \$540,000 |
| Bernards Bros. | \$14,980,000 | \$11,000 | \$400,000 | \$350,000 | \$340,000 | \$570,000 |
| TS Construction | \$15,053,000 | \$17,000 | \$375,000 | \$315,000 | \$329,000 | \$887,000 |
| Amoroso | \$15,162,000 | \$40,000 | \$460,000 | \$330,000 | \$300,000 | \$760,000 |
| RQ Construction | \$15,740,000 | \$7,000 | *** | *** | *** | *** |
| Mallcraft | \$15,844,000 | \$10,000 | \$368,000 | \$344,000 | \$306,000 | \$854,000 |
| FTR International | \$16,480,000 | \$20,000 | \$250,000 | \$400,000 | \$300,000 | \$750,000 |

* S.C. Anderson withdrew their bid based on a mathematical error.

Note: **Bold** numbers indicate bid amounts to be included in the proposed construction contract with Bernards Bros.

Financial Information:

Public Works' fair construction cost estimate for the base bid is \$15,226,073.